



Invest Like the Pros With 2 CPP Pension Stocks

Description

The Canadian Government created the Canada Pension Plan (CPP) to ensure a basic income for its citizens after retirement. While it's not meant to be the only source of income for retired individuals, the CPP does provide a significant boost to the retirement income. In an ideal scenario, the CPP can be enough to cover a quarter of a typical retiree's income needs in retirement.

At the age of 18, all Canadians are required to start contributing to their CPP. The pension plan is a foolproof way for you to earn additional income for your retirement. The Canada Pension Plan Investment Board (CPPIB) is the organization that [handles the assets](#) of the CPP. The board ensures that your investments get the maximum returns without unnecessary risks.

The CPPIB does this by investing in reliable publically traded companies on the Toronto Stock Exchange. It makes sense that you follow the footsteps of the CPPIB to secure additional retirement income through your TFSA.

I am going to discuss stock from **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) and **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) — two of the most suitable options among the stocks that the CPPIB invests in for the CPP. I think you can consider investing in them to create another source of income during retirement.

Royalty stocks

RBC stock account for a significant part of the CPPIB's portfolio for the CPP. The \$148.81 billion market capitalization financial institution is one of the largest banks in the country. Canada's banking sector stocks have historically enjoyed an excellent reputation on the stock market for being reliable. RBC is one of the best out of the lot.

Consider any category in Canada's retail banking market, and you will see Royal Bank as the leader or in the second position for the segment. The bank is a massive success in the domestic market, and it continues to perform in international markets. The bank has been around for a long time, and it does not seem like it is going anywhere soon.

RBC stock trades for \$103.23 per share, remaining mostly stable. The company also pays its shareholders dividends at a juicy 4.07% dividend yield. It comes as no surprise that the CPPIB deems RBC a vital part of the CPP's portfolio.

Energy company

Enbridge is another one of the major stocks in CPPIB's portfolio for the pension plan. It has a considerable pipeline network that is responsible for the transportation of more than 50% of the crude oil and gas for the U.S. from Canada. ENB has one of the largest energy infrastructures on the planet.

The company meets the need for a fifth of the U.S. natural gas supply-demand. Being one of the [most significant energy sector players](#), Enbridge is shielded from volatility in commodity prices due to its volume-transported-based pricing. Instead of relying on the prices of gas and oil for its revenue, ENB mostly has fixed value contracts with producers.

The operational infrastructure of ENB insulates the company from the volatility that others in the sector suffer from. With a massive 6.27% dividend yield, ENB's shares trading for \$51.65 per unit is quite attractive.

Foolish takeaway

What could be a better way to ensure a stable source of income that will help you boost your retirement fund than following the footsteps of professionals dedicated to the task? I think Enbridge and Royal Bank's stock could be worth considering for your TFSA's contribution room to maximize your retirement fund.

CATEGORY

1. Bank Stocks
2. Dividend Stocks
3. Energy Stocks
4. Investing

TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:ENB (Enbridge Inc.)
4. TSX:RY (Royal Bank of Canada)

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Author

adamothonman

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